

Hand Shook

H&W Draft

4-17-08

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AN ORDINANCE

BY COUNCILMEMBER HOWARD SHOOK

08-O-_____

AN ORDINANCE AUTHORIZING THE TRANSFER OF APPROPRIATIONS FROM _____ TO VARIOUS DEBT SERVICE RESERVE SUBACCOUNTS FOR THE PURPOSE OF COMPLYING WITH THE DEBT SERVICE RESERVE REQUIREMENT SPECIFIED IN THE RESTATED AND AMENDED MASTER BOND ORDINANCE OF THE CITY OF ATLANTA ADOPTED ON MARCH 20, 2000 (99-O-1896), AS AMENDED; AND FOR OTHER PURPOSES

WHEREAS, the City of Atlanta (the "City") has heretofore issued multiple series of its revenue bonds and commercial paper notes to finance and refinance costs of its Hartsfield-Jackson Atlanta International Airport (the "Airport") pursuant to a Restated and Amended Master Bond Ordinance adopted March 20, 2000 (Ordinance No. 99-O-1896) (the "Master Ordinance") as supplemented and amended by a First Supplemental Bond Ordinance adopted by the City on March 30, 2000, a Second Supplemental Bond Ordinance of the City adopted on October 7, 2002, an Amended and Restated Third Supplemental Bond Ordinance of the City adopted on May 19, 2003, a Fourth Supplemental Bond Ordinance of the City adopted on June 2, 2003, a Fifth Supplemental Bond Ordinance duly adopted by the City on September 15, 2003, a Sixth Supplemental Bond Ordinance adopted by the City on November 17, 2003, a Seventh Supplemental Bond Ordinance adopted by the City on April 19, 2004, an Eighth Supplemental Bond Ordinance adopted by the City on October 18, 2004, a Ninth Supplemental Bond Ordinance adopted by the City on October 3, 2005, a Tenth Supplemental Bond Ordinance adopted by the City on April 17, 2006, an Eleventh Supplemental Bond Ordinance adopted by the City on April 17, 2006, and a Twelfth Supplemental Bond Ordinance adopted by the City on February 18, 2008 (each such supplemental bond ordinance, together with the Master Bond Ordinance, the "Bond Ordinance"); and

WHEREAS, pursuant to the Bond Ordinance the City has previously issued and delivered \$711,880,000 original aggregate principal amount of its Airport General Revenue and Refunding Bonds, Series 2000A (the "Series 2000A Bonds"), \$201,995,000 original aggregate principal amount of its Airport General Revenue Bonds, Series 2000B (the "Series 2000B Bonds") and \$96,400,000 original aggregate principal amount of its Airport General Revenue Refunding Bonds, Series 2000C (the "Series 2000C Bonds" and, together with the Series 2000A Bonds and the Series 2000B Bonds, the "Series 2000 Bonds"), \$86,055,000 original aggregate principal amount of its Airport General Revenue Refunding Bonds, Series 2003 RF-A, \$490,700,000 original aggregate principal amount of its Variable Rate Airport General Revenue Refunding Bonds, Series 2003 RF-B-1, 2003 RF-B-2, 2003 RF-B-3, 2003 RF-C-1, 2003 RF-C-2, and 2003 RF-C-3, (collectively, the "Series 2003 RF-A/B/C Bonds"), \$118,270,000 original aggregate principal amount Airport General Revenue Refunding Bonds, Series 2003 RF-D Bonds (the "Series 2003RF-D Bonds," and together with the Series 2003RF/A/B/C Bonds, the "Series 2003 Bonds"), \$222,820,000 original aggregate principal amount of its Airport General Revenue Bonds, Series 2004A (the "Series 2004A Bonds") and Series 2004B (the "Series 2004B Bonds" and, together with the Series 2004A Bonds, the "Series 2004A/B

Bonds”), \$529,270,000 original aggregate principal amount of its Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds Series 2004C, Series 2004D-1, Series 2004D-2, Series 2004E-1, and Series 2004E-2 (collectively, the “Series 2004C/D/E Bonds”), \$180,090,000 original aggregate principal amount of its Airport General Revenue Bonds, Series 2004F, Series 2004G, and Series 2004I (collectively, the “Series 2004/F/G/I Bonds”) and \$584,110,000 original aggregate principal amount of its Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2004J, Series 2004K-1, Series 2004K-2, Series 2004K-3 and Series 2004K-4 (collectively, the “Series 2004J/K Bonds”), and also authorized the issuance from time to time of not more than \$350,000,000 aggregate principal amount of its General Airport Revenue Commercial Paper Notes, Series 2005A-1 and Series 2005A-2 (collectively, the “Series 2005A Notes”) and not more than \$200,000,000 aggregate principal amount of its Airport Passenger Facility Charge and Subordinate Lien General Revenue Commercial Paper Notes Series 2005B-1 and Series 2005B-2 (the “Series 2005B Notes”) (collectively for purposes of this Ordinance, the “Bonds”); and

WHEREAS, pursuant to the Bond Ordinance the City is required to maintain a reasonable reserve for the payment for the principal of, and interest on, certain of the Bonds as determined from time to time pursuant to and as specified in supplemental bond ordinances adopted pursuant to the Master Ordinance; and

WHEREAS, the City elected to satisfy the Debt Service Reserve Requirement (as defined in the Bond Ordinance), in part, by means of a Reserve Account Credit Facility (as defined in the Bond Ordinance); and

WHEREAS, Financial Guaranty Insurance Company (“FGIC”), a Reserve Account Credit Facility Provider, had its long-term rating downgraded by Standard and Poor’s Ratings Service (“S&P”), Moody’s Investors Service, Inc. (“Moody’s”) and Fitch Investors Service (“Fitch,” together with S&P and Moody’s, the “Rating Agencies”); and

WHEREAS, pursuant to Section 404(F) of the Master Bond Ordinance, if the long-term rating assigned by Rating Agencies to the Reserve Account Credit Facility Provider is withdrawn or reduced below the greater of (i) the rating assigned to the related series of bonds prior to such action by the Rating Agencies or (ii) the second highest long-term rating of such Rating Agency the City has the option to either provide a substitute credit facility or fund the Debt Service Reserve Requirement in not more than twenty-four (24) equal monthly deposits; and

WHEREAS, the City has determined that, as a result of reduction in rating, a shortfall exists in the debt service reserve accounts established for certain of the Bonds in the amount of [\$149,844,094]; and

WHEREAS, the City has decided that it is in its best interest to exercise its option to fund the Debt Service Reserve Requirement over a twenty-four (24) month period beginning on May 1, 2008.

NOW, THEREFORE, be it ordained by the City Council of the City of Atlanta, as follows:

(1) That \$_____ be unappropriated from _____ to be used to fund City's Debt Service Reserve Requirement for certain of its Bonds in twenty-four monthly installments of \$[_____] as follows:

(2) Any and all ordinances or resolutions or parts of ordinances or resolutions in conflict with this Ordinance are to the extent of such conflict hereby repealed.

(3) This Ordinance shall take effect immediately upon its adoption and approval.